

MEETING MINUTES

Finance Committee

March 22, 2010

CALL TO ORDER

Time – 7:50 P.M.

Members in attendance: Chairman Joanne F. Marden, S. Jon Stumpf, Mary O'Donoghue, Richard T. Howe, Mark Merritt, Paul Fortier, Peggy Kruse and Steve Stapinski.

Also present: Anthony Torrisi, Finance Director

BUDGET DISCUSSION

Mr. Torrisi distributed copies of the Article 4 Town Meeting – FY2011 Operating Budget. Mr. Torrisi pointed out increases and decreases to the Budget as revised on 3/22/2010 (Youth Services, Debt Service, Unemployment Compensation). He reported a savings in General Fund Debt Service of \$307,520. Discussion followed. Committee members voiced their appreciation for Mr. Torrisi's work on the Budget.

At 8:15 P.M. the Finance Committee joined the Board of Selectmen to discuss financial warrant articles.

At 10:15 the Finance Committee reconvened.

WARRANT ARTICLES

The following warrant articles were moved, seconded and unanimously approved by Finance Committee members:

P-31 Funding OPEB Trust Fund

P-26 Water Treatment Plant HVAC

P-22 Town Building Maintenance and Renovation

Steve Stapinski brought forth the option of privatizing the services of the Senior Center cafeteria for a potential cost savings. Positives and negatives of this option were discussed. Most Committee members were not willing to change the cafeteria operations citing the Senior Center's value to the community.

P-20 DPW Vehicles

P-8 Free Cash

This article was approved in the amount of \$0.

P-14 Revolving Accounts

Mary O'Donoghue stated that, in the future, she would like to see more clarity regarding how the Fund is used as well as historical data from the Department of Community Services. All agreed.

P-36 Sale of Buildings 3 Blanchard Street

The Finance Committee moved, seconded and unanimously voted to disapprove warrant articles P-35 Acquisition of 3 Blanchard Street and P-54 Street Lights. Preliminary Article 35 was disapproved due to an issue with the pricing of the property. Additionally, Committee members thought it to be a non-essential priority at this time.

NEXT MEETING

Regular Finance Committee Meeting
Thursday, March 25, 2010
2nd Floor Conference Room
7:00 P.M.

ADJOURNMENT – 11:00 P.M.

Respectfully Submitted,
Carolyn Lynch
Recording Secretary

ARTICLE 4 TOWN MEETING - FY2011 OPERATING BUDGET

| LINE ITEM | DEPARTMENT | BUDGET FY2009 | BUDGET FY2010 | revised 3/22/2010 | Inc/Dec FY10 to FY11 |
|-----------|--|-------------------|-------------------|------------------------|-------------------------|
| | | | | Town Mgr Rec FY2011 | |
| 15 | ANDOVER SCHOOL DEPT PERSONAL SERVICES | 47,384,430 | 47,601,540 | 61,078,014 | |
| 16 | OTHER EXPENSES | <u>12,048,727</u> | <u>12,126,618</u> | included in above | |
| | TOTAL | 59,433,157 | 59,728,158 | 61,078,014 | 1,349,856 |

| LINE ITEM | DEPARTMENT | BUDGET FY2009 | BUDGET FY2010 | Town Mgr Rec FY2011 | Inc/Dec FY10 to FY11 |
|----------------------------------|-------------------------------|-------------------|-------------------|------------------------|-------------------------|
| | | | | | |
| 17 | SEWER PERSONAL SERVICES | 393,691 | 398,113 | 437,503 | 39,390 |
| 18 | OTHER EXPENSES | <u>1,860,312</u> | <u>1,938,253</u> | <u>1,995,244</u> | <u>56,991</u> |
| | TOTAL | 2,254,003 | 2,336,366 | 2,432,747 | 96,381 |
| 19 | WATER PERSONAL SERVICES | 1,810,294 | 1,724,715 | 1,700,053 | -24,662 |
| 20 | OTHER EXPENSES | <u>2,734,900</u> | <u>2,176,400</u> | <u>2,176,400</u> | <u>0</u> |
| | TOTAL | 4,545,194 | 3,901,115 | 3,876,453 | -24,662 |
| Includes \$0 from Water reserves | | | | | |
| | SEWER and WATER TOTAL | 6,799,197 | 6,237,481 | 6,309,200 | 71,719 |
| | less budgeted Revenues | <u>(569,562)</u> | <u>-</u> | <u>-</u> | <u>0</u> |
| | NET TOTAL | 6,229,635 | 6,237,481 | 6,309,200 | 71,719 |
| 21 | OBLIGATIONS GR LAW TECH HS | 362,730 | 494,915 | 507,288 | 12,373 |
| 22 | DEBT SERVICE | 13,348,695 | 13,312,391 | 12,002,493 | -1,309,898 |
| 23 | GENERAL INSURANCE | 635,088 | 640,500 | 640,500 | 0 |
| 24 | UNEMPLOYMENT COMP. | 100,000 | 100,000 | 400,000 | 300,000 |
| 25 | RETIREMENT FUND | 4,510,979 | 4,635,498 | 4,712,555 | 77,057 |
| 26 | HEALTH INSURANCE FUND | <u>11,097,000</u> | <u>12,440,000</u> | <u>13,684,000</u> | <u>1,244,000</u> |
| | TOTAL | 30,054,492 | 31,623,304 | 31,946,836 | 323,532 |
| | FIXED TOTAL | 30,054,492 | 31,623,304 | 31,946,836 | 323,532 |
| | less budgeted Revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>0</u> |
| | NET TOTAL | 30,054,492 | 31,623,304 | 31,946,836 | 323,532 |

| | | | | |
|------------------------|--------------------|--------------------|--------------------|---------------|
| GRAND TOTAL | 129,910,050 | 130,817,866 | 133,223,284 | 2,405,418 |
| less budgeted Revenues | <u>(2,664,069)</u> | <u>(2,215,226)</u> | <u>(2,144,364)</u> | <u>70,862</u> |
| NET TOTAL | 127,245,981 | 128,602,640 | 131,078,920 | 2,476,280 |

ARTICLE 4 TOWN MEETING - FY2011 OPERATING BUDGET

| LINE ITEM | DEPARTMENT | BUDGET FY2009 | BUDGET FY2010 | revised 3/22/2010 Town Mgr Rec FY2011 | Inc/Dec FY10 to FY11 |
|---|--|--------------------|--------------------|---|-------------------------|
| | PUBLIC SAFETY | | | | |
| 1 | PERSONAL SERVICES | 12,112,602 | 12,736,024 | 12,854,082 | 118,058 |
| 2 | OTHER EXPENSES | <u>1,253,235</u> | <u>1,273,112</u> | <u>1,295,910</u> | <u>22,798</u> |
| | TOTAL | 13,365,837 | 14,009,136 | 14,149,992 | 140,856 |
| Includes \$278,864 - parking receipts, \$70,000 - detail fees, and \$955,000 - ambulance collections | | | | | |
| | GENERAL GOVERNMENT & COMMUNITY DEVELOPMENT | | | | |
| 3 | PERSONAL SERVICES | 3,657,269 | 3,965,278 | 4,237,482 | 272,204 |
| 4 | OTHER EXPENSES | <u>1,361,392</u> | <u>1,366,688</u> | <u>1,395,358</u> | <u>28,670</u> |
| | TOTAL | 5,018,661 | 5,331,966 | 5,632,840 | 300,874 |
| Includes \$20,000 in receipts from wetland filing fees. | | | | | |
| | PUBLIC WORKS | | | | |
| 5 | PERSONAL SERVICES | 1,605,356 | 1,588,254 | 1,628,398 | 40,144 |
| 6 | OTHER EXPENSES | <u>3,786,200</u> | <u>3,570,750</u> | <u>3,582,800</u> | <u>12,050</u> |
| | TOTAL | 5,391,556 | 5,159,004 | 5,211,198 | 52,194 |
| | PLANT AND FACILITIES | | | | |
| 7 | PERSONAL SERVICES | 3,001,805 | 3,030,605 | 3,079,484 | 48,879 |
| 8 | OTHER EXPENSES | <u>1,387,086</u> | <u>1,327,581</u> | <u>1,361,941</u> | <u>34,360</u> |
| | TOTAL | 4,388,891 | 4,358,186 | 4,441,425 | 83,239 |
| Includes \$55,000 in rental receipts; \$34,000 perpetual care income and \$60,000 from cemetery fees. | | | | | |
| | LIBRARY | | | | |
| 9 | PERSONAL SERVICES | 1,988,696 | 2,011,489 | 2,018,773 | 7,284 |
| 10 | OTHER EXPENSES | <u>628,600</u> | <u>564,900</u> | <u>576,400</u> | <u>11,500</u> |
| | TOTAL | 2,617,296 | 2,576,389 | 2,595,173 | 18,784 |
| | COMMUNITY / YOUTH/ ELDER SERVICES | | | | |
| 11 | PERSONAL SERVICES | 1,231,559 | 1,171,648 | 1,220,987 | 49,339 |
| 12 | OTHER EXPENSES | <u>441,404</u> | <u>441,594</u> | <u>437,619</u> | <u>-3,975</u> |
| | TOTAL | 1,672,963 | 1,613,242 | 1,658,606 | 45,364 |
| Includes \$550,000 and \$55,000 in user fees and \$66,500 in grants | | | | | |
| | UNCLASSIFIED | | | | |
| 13 | COMPENSATION FUND | 968,000 | 0 | 0 | 0 |
| 14 | RESERVE FUND | <u>200,000</u> | <u>181,000</u> | <u>200,000</u> | <u>19,000</u> |
| | TOTAL | 1,168,000 | 181,000 | 200,000 | 19,000 |
| | TOWN TOTAL | 33,623,204 | 33,228,923 | 33,889,234 | 660,311 |
| | less budgeted Revenues | <u>(2,094,507)</u> | <u>(2,215,226)</u> | <u>(2,144,364)</u> | <u>70,862</u> |
| | NET TOTAL | 31,528,697 | 31,013,697 | 31,744,870 | 731,173 |

TOWN OF ANDOVER
FY2011 TOWN MANAGER'S RECOMMENDED BUDGET

| | | | | | DEPT | TOWN MGR |
|--------------------------------|---------|---------|---------|----------|---------|----------|
| | ACTUAL | ACTUAL | BUDGET | ESTIMATE | REQUEST | RECOMM. |
| | FY2008 | FY2009 | FY2010 | FY2010 | FY2011 | FY2011 |
| YOUTH SERVICES | | | | | | |
| COMMUNITY SERVICES | | | | | | |
| 015421 YOUTH SERVICES SALARIES | | | | | | |
| 5110 REGULAR WAGES | 218,262 | 223,093 | 216,834 | 216,834 | 222,155 | 222,155 |
| 5120 OVERTIME | 10,000 | 7 | | | | |
| 5130 PART TIME | 10,000 | 20,708 | 10,000 | 10,000 | 10,000 | 10,000 |
| 5140 SEASONAL | 34,500 | 45,303 | 1,362 | 1,362 | 1,362 | 31,500 |
| 5185 REG RETRO C/Y RETIRE | | 2,982 | | | | |
| 5187 REGULAR RETRO P/Y RET | | 3,304 | | | | |
| 5188 OVERTIME RETRO P/Y NO RET | | 258 | | | | |
| TOTAL | | | | | | |
| YOUTH SERVICES SALARIES | 272,762 | 295,655 | 228,196 | 228,196 | 233,517 | 263,655 |
| 015422 YOUTH SERVICES EXPENSES | | | | | | |
| 5206 INS HEALTH | 11,486 | 12,828 | 13,760 | 13,760 | 0 | 0 |
| 5211 ELECTRICITY | 0 | 0 | 0 | 0 | 6,000 | 6,000 |
| 5220 TELEPHONE | 2,530 | 2,951 | 4,310 | 4,310 | 4,310 | 4,310 |
| 5225 POSTAGE | 228 | 112 | 200 | 200 | 200 | 200 |
| 5231 MONTHLY TRANSP ALLOWANCE | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 | 2,400 |
| 5270 PRINTING | 2,406 | 2,508 | 1,500 | 1,500 | 1,500 | 1,500 |
| 5292 RENTALS FACILITIES | 1,009 | 2,498 | 3,000 | 3,000 | 3,000 | 3,000 |
| 5295 OTHER SERVICES / CHGS | 5,006 | 10,697 | 7,500 | 7,500 | 7,500 | 7,500 |
| 5310 OFFICE SUPPLIES | 953 | 955 | 1,600 | 1,600 | 1,600 | 1,600 |
| 5321 FOOD | 7,338 | 4,023 | 3,500 | 3,500 | 3,500 | 3,500 |
| 5355 AUTOMOTIVE FUEL | 5,922 | 5,083 | 5,500 | 5,500 | 5,500 | 5,500 |
| 5392 SUPPLIES RECREATION | 1,264 | 1,791 | 2,000 | 2,000 | 2,000 | 2,000 |
| 5710 TRAVEL/IN-STATE | 1,968 | 2,085 | 1,400 | 1,400 | 1,400 | 1,400 |
| 5730 DUES/SUBSCRIPTIONS | 268 | 122 | 100 | 100 | 100 | 100 |
| TOTAL | | | | | | |
| YOUTH SERVICES EXPENSES | 42,779 | 48,052 | 46,770 | 46,770 | 39,010 | 39,010 |
| 015421 YOUTH SERVICES SALARIES | | | | | | |
| 5811 FROM SALE OF SERVICE | -52,605 | -58,964 | -13,760 | -13,760 | | |
| TOTAL | | | | | | |
| YOUTH SERVICES SALARIES | -52,605 | -58,964 | -13,760 | -13,760 | | |
| TOTAL | | | | | | |
| YOUTH SERVICES | 262,936 | 284,743 | 261,206 | 261,206 | 272,527 | 302,665 |

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TOWN OF ANDOVER
FY2011 TOWN MANAGER'S RECOMMENDED BUDGET

| | ACTUAL FY2008 | ACTUAL FY2009 | BUDGET FY2010 | ESTIMATE FY2010 | DEPT REQUEST FY2011 | TOWN MGR RECOMM. FY2011 |
|----------------------------------|------------------|------------------|------------------|--------------------|---------------------------|-------------------------------|
| UNEMPLOYMENT COMPENSATION | | | | | | |
| UNEMPLOYMENT | | | | | | |
| 019132 UNEMPLOYMENT COMP EXPENSE | | | | | | |
| 5712 UNEMPLOYMENT COMPENSATION | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 400,000 |
| TOTAL | | | | | | |
| UNEMPLOYMENT COMP EXPENSE | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 400,000 |
| TOTAL | | | | | | |
| UNEMPLOYMENT COMPENSATION | 100,000 | 100,000 | 100,000 | 100,000 | 100,000 | 400,000 |

TOWN OF ANDOVER
FY2011 TOWN MANAGER'S RECOMMENDED BUDGET

| | ACTUAL FY2008 | ACTUAL FY2009 | BUDGET FY2010 | ESTIMATE FY2010 | DEPT REQUEST FY2011 | TOWN MGR RECOMM. FY2011 |
|----------------------------------|------------------|------------------|------------------|--------------------|---------------------------|-------------------------------|
| DEBT INTEREST | | | | | | |
| DEBT SERVICE | | | | | | |
| 017502 DEBT SERVICE INTEREST | | | | | | |
| 5731 BAN EXEMPT SAFETY CENTER | | 3,375 | | | | |
| 5732 INTEREST ON BANS NON EXEMPT | 53,760 | 60,159 | 50,000 | 50,000 | 50,000 | 50,000 |
| 5732 BAN NONEXEMPT WATER | 91,559 | 3,352 | 10,000 | 10,000 | 30,000 | 30,000 |
| 5732 BAN NONEXEMPT SEWER | 226,679 | 5,906 | 50,000 | 50,000 | 80,000 | 80,000 |
| 5733 EXEMPT | 374,581 | 351,000 | 341,134 | 341,134 | 314,521 | 257,222 |
| 5733 INTEREST EXEMPT SCHOOL | 1,005,160 | 925,288 | 840,550 | 840,550 | 745,754 | 720,484 |
| 5739 BOND ISSUE EXPENSE | 101,010 | 17,647 | 60,000 | 60,000 | 60,000 | 60,000 |
| 5741 SCHOOL LOANS | 264,652 | 322,034 | 280,670 | 280,670 | 249,509 | 361,014 |
| 5742 WATER LOANS | 347,939 | 401,340 | 366,983 | 366,983 | 329,515 | 323,635 |
| 5743 SEWER LOANS | 1,034,246 | 1,087,544 | 1,111,515 | 1,111,515 | 1,131,614 | 1,014,575 |
| 5744 STREET LOANS | 59,184 | 46,554 | 38,601 | 38,601 | 27,454 | 47,795 |
| 5745 MUN BLDGS LOANS | 96,321 | 78,272 | 80,375 | 80,375 | 64,523 | 70,679 |
| 5746 PUBLIC SAFETY LOANS | 57,583 | 49,743 | 35,753 | 35,753 | 27,826 | 27,826 |
| 5747 LAND ACQ LOANS | 235,411 | 279,068 | 248,285 | 248,285 | 223,479 | 263,479 |
| 5749 OTHER MUNIC PURPOSES | 21,453 | 18,756 | 17,504 | 17,504 | 335,922 | 64,400 |
| TOTAL | | | | | | |
| DEBT SERVICE INTEREST | 3,969,538 | 3,650,037 | 3,531,370 | 3,531,370 | 3,670,117 | 3,371,109 |
| TOTAL | | | | | | |
| DEBT INTEREST | 3,969,538 | 3,650,037 | 3,531,370 | 3,531,370 | 3,670,117 | 3,371,109 |

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TOWN OF ANDOVER
FY2011 TOWN MANAGER'S RECOMMENDED BUDGET

| | ACTUAL FY2008 | ACTUAL FY2009 | BUDGET FY2010 | ESTIMATE FY2010 | DEPT REQUEST FY2011 | TOWN MGR RECOMM. FY2011 |
|-------------------------------|------------------|------------------|------------------|--------------------|---------------------------|-------------------------------|
| DEBT PRINCIPAL | | | | | | |
| DEBT SERVICE | | | | | | |
| 017102 DEBT SERVICE PRINCIPAL | | | | | | |
| 5733 EXEMPT | 3,490,204 | 3,450,739 | 3,408,256 | 3,408,256 | 3,438,143 | 3,438,143 |
| 5741 SCHOOL LOANS | 727,226 | 875,032 | 1,023,910 | 1,023,910 | 653,798 | 883,798 |
| 5742 WATER LOANS | 1,301,270 | 1,425,984 | 1,400,300 | 1,400,300 | 975,688 | 975,688 |
| 5743 SEWER LOANS | 1,582,490 | 1,818,478 | 1,915,000 | 1,915,000 | 1,813,000 | 1,790,000 |
| 5744 STREET LOANS | 368,000 | 305,000 | 300,000 | 300,000 | 270,000 | 363,000 |
| 5745 MUN BLDGS LOANS | 543,452 | 560,064 | 498,721 | 498,721 | 313,496 | 338,496 |
| 5746 PUBLIC SAFETY LOANS | 341,179 | 375,554 | 294,923 | 294,923 | 94,461 | 94,461 |
| 5747 LAND ACQ LOANS | 505,000 | 690,000 | 900,000 | 900,000 | 395,000 | 395,000 |
| 5749 OTHER MUNIC PURPOSES | 60,226 | 50,032 | 39,911 | 39,911 | 914,796 | 352,798 |
| TOTAL | | | | | | |
| DEBT SERVICE PRINCIPAL | 8,919,047 | 9,550,883 | 9,781,021 | 9,781,021 | 8,868,382 | 8,631,384 |
| TOTAL | | | | | | |
| DEBT PRINCIPAL | 8,919,047 | 9,550,883 | 9,781,021 | 9,781,021 | 8,868,382 | 8,631,384 |

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